## House File 2224 - Introduced

HOUSE FILE 2224 BY HAGER

(COMPANION TO SF 2069 BY SINCLAIR)

## A BILL FOR

- 1 An Act relating to the property tax exemption for forest
- 2 reservations for certain assessment years.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. Section 427C.1, Code 2018, is amended to read as 2 follows:
- 3 427C.1 Tax exemption amount of exemption.
- 4 l. Any person who establishes a forest or fruit-tree
- 5 reservation as provided in this chapter shall be entitled to
- 6 the tax exemption provided by law.
- 7 2. a. Except as provided in paragraph "b", the exemption
- 8 for forest or fruit-tree reservations authorized in this
- 9 chapter shall be one hundred percent of the actual value of the
- 10 property comprising the reservation.
- 11 b. For assessment years beginning on or after January 1,
- 12 2019, the exemption for forest reservations authorized in this
- 13 chapter shall be fifty percent of the actual value of the
- 14 property comprising the forest reservation.
- 15 Sec. 2. Section 427C.2, Code 2018, is amended to read as
- 16 follows:
- 17 427C.2 Reservations.
- 18 1. On For assessment years beginning before January 1, 2019,
- 19 any tract of land in the state of Iowa, the owner or owners may
- 20 select a permanent forest reservation or reservations, each
- 21 not less than two acres in continuous area, or a fruit-tree
- 22 reservation or reservations, not less than one nor more than
- 23 ten acres in total area, or both, and upon compliance with
- 24 the provisions of this chapter, such owner or owners shall be
- 25 entitled to the benefits provided by law.
- 26 2. For assessment years beginning on or after January
- 27 1, 2019, any tract of land in the state of Iowa, the owner
- 28 or owners may select a permanent forest reservation or
- 29 reservations, each not less than five acres in continuous area,
- 30 or a fruit-tree reservation or reservations, not less than
- 31 one nor more than ten acres in total area, or both, and upon
- 32 compliance with the provisions of this chapter, such owner or
- 33 owners shall be entitled to the benefits provided by law.
- 34 Sec. 3. Section 427C.6, Code 2018, is amended to read as
- 35 follows:

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- 1 **427C.6** Groves.
- 2 The trees of a forest reservation shall be in groves not
- 3 less than four rods wide except when the trees are growing or
- 4 are planted in or along a gully or ditch to control erosion in
- 5 which case any width will qualify provided the area meets the
- 6 size acreage requirement of two acres.
- 7 Sec. 4. Section 441.22, Code 2018, is amended to read as
- 8 follows:
- 9 441.22 Forest and fruit-tree reservations.
- 10 Forest and fruit-tree reservations fulfilling the conditions
- 11 of sections 427C.1 to 427C.13 chapter 427C shall be exempt from
- 12 taxation to the extent authorized in that chapter. In all
- 13 other cases where trees are planted upon any tract of land,
- 14 without regard to area, for forest, fruit, shade, or ornamental
- 15 purposes, or for windbreaks, the assessor shall not increase
- 16 the valuation of the property because of such improvements.
- 17 EXPLANATION
- 18 The inclusion of this explanation does not constitute agreement with
- 19 the explanation's substance by the members of the general assembly.
- 20 Current Code chapter 427C authorizes a property tax
- 21 exemption for certain forest reservations and fruit-tree
- 22 reservations. To qualify for the exemption as a forest
- 23 reservation, the property must be at least two acres in
- 24 continuous area and meet certain tree density requirements.
- 25 This bill lowers the exemption percentage from 100 percent
- 26 to 50 percent for forest reservations for assessment years
- 27 beginning on or after January 1, 2019. The bill also increases
- 28 the minimum acreage requirement for forest reservations for
- 29 assessment years beginning on or after January 1, 2019, from
- 30 two acres to five acres of continuous area.